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 Executive Secretary

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83-2383/1

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No. NSDD 94

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THE WHITE HOUSE
WASHINGTON

May 16, 1983

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| 83-2383/1 |

MEMORANDUM FOR THE VICE PRESIDENT
THE SECRETARY OF STATE
THE SECRETARY OF DEFENSE
THE SECRETARY OF COMMERCE
THE DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET
THE DIRECTOR OF CENTRAL INTELLIGENCE
THE CHAIRMAN, JOINT CHIEFS OF STAFF
THE DIRECTOR, ARMS CONTROL AND DISARMAMENT AGENCY
THE DIRECTOR, OFFICE OF SCIENCE AND TECHNOLOGY POLICY
THE ADMINISTRATOR, NATIONAL AERONAUTICS AND SPACE
ADMINISTRATION

SUBJECT: Commercialization of Expendable Launch Vehicles

The President has approved the attached NSDD. With reference to the interim SIG(Space) Working Group on Commercial Launch Operations, a report on the results of the group's review will be submitted by June 30, 1983.



William P. Clark

Attachment
NSDD-94

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THE WHITE HOUSE

WASHINGTON

May 16, 1983

NATIONAL SECURITY DECISION
DIRECTIVE NUMBER 94COMMERCIALIZATION OF EXPENDABLE LAUNCH VEHICLESI. INTRODUCTION

The United States Government encourages domestic commercial exploitation of space capabilities, technology, and services for U.S. national benefit. The basic goals of U.S. space launch policy are to (a) ensure a flexible and robust U.S. launch posture to maintain space transportation leadership; (b) optimize the management and operation of the STS program to achieve routine, cost-effective access to space; (c) exploit the unique attributes of the STS to enhance the capabilities of the U.S. space program; and (d) encourage the U.S. private sector development of commercial launch operations.

II. POLICY FOR COMMERCIALIZATION OF EXPENDABLE LAUNCH VEHICLES

The U.S. Government fully endorses and will facilitate the commercialization of U.S. Expendable Launch Vehicles (ELVs).

The U.S. Government will license, supervise, and/or regulate U.S. commercial ELV operations only to the extent required to meet its national and international obligations and to ensure public safety. Commercial ELV operators must comply with applicable international, national and local laws and regulations including security, safety, and environmental requirements.

The U.S. Government encourages the use of its national ranges for U.S. commercial ELV operations. Commercial launch operations conducted from a U.S. Government national range will, at a minimum, be subject to existing U.S. Government range regulations and requirements. Consistent with its needs and requirements, the U.S. Government will identify and make available, on a reimbursable basis, facilities, equipment, tooling, and services that are required to support the production and operation of U.S. commercial ELVs.

The U.S. Government will have priority use of U.S. Government facilities and support services to meet national security and critical mission requirements. The U.S. Government will make all reasonable efforts to minimize impacts on commercial operations.

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The U.S. Government will not subsidize the commercialization of ELVs but will price the use of its facilities, equipment, and services consistent with the goal of encouraging viable commercial ELV launch activities in accordance with the attached guidelines.

The U.S. Government will encourage free market competition among the various systems and concepts within the U.S. private sector. The U.S. Government will provide equitable treatment for all commercial launch operators for the sale or lease of government equipment and facilities consistent with its economic, foreign policy, and national security interests.

The U.S. Government will review and approve any proposed commercial launch facility and range as well as subsequent operations conducted therefrom. Near-term demonstration or test flights of commercial launch vehicles conducted from other than a U.S. Government national range will be reviewed and approved on a case-by-case basis using existing licensing authority and procedures.

III. RELATIONSHIP OF STS AND COMMERCIAL ELVS

Notwithstanding the U.S. Government policy to encourage and facilitate private sector ELV entry into the space launch market, the U.S. Government will continue to make the Space Shuttle available for all authorized users -- domestic and foreign, commercial and governmental -- subject to U.S. Government needs and priorities. Through FY 1988, the price for STS flights will be maintained in accordance with the currently established NASA pricing policies in order to provide market stability and assure fair competition. Beyond this period, it is the U.S. Government's intent to establish a full cost recovery policy for commercial and foreign STS flight operations.

IV. IMPLEMENTATION

An interim SIG(Space) Working Group on Commercial Launch Operations will be formed and co-chaired by the Department of State and NASA. The Working Group will be composed of members representing the SIG(Space) agencies and observers as well as other affected agencies. Additional membership, at a minimum, will include the Federal Aviation Administration and the Federal Communications Commission. This group will be used to (a) streamline the procedures used in the interim to implement existing licensing authority, (b) develop and coordinate the requirements and process for the licensing, supervision, and/or regulations applicable to routine commercial launch operations from commercial ranges, and (c) recommend the appropriate lead agency within the U.S. Government to be

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responsible for commercial launch activities. Until a final selection of the lead agency is made, the Department of State will serve as the U.S. Government focal point for all inquiries and requests relative to commercial ELV activities.

Ronald Reagan

Attachment

Implementing Guidelines for Commercialization of Expendable Launch Vehicles for U.S. Government National Ranges

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IMPLEMENTING GUIDELINES FOR COMMERCIALIZATION
OF EXPENDABLE LAUNCH VEHICLES FROM U.S. GOVERNMENT NATIONAL RANGES

A. Required U.S. Government Actions

NASA and DOD, for those functions over which they respectively have cognizance, will:

1. identify data, documentation, processes, procedures, tooling, ground support equipment and facilities that are available for commercial use;
2. identify the support services and facilities necessary for commercial launches from the U.S. Government national ranges;
3. identify the joint-use tooling, ground support equipment and facilities that the U.S. Government can make available for commercial launch operations;
4. determine the transition means, schedules, conditions, and costs for making available appropriate U.S. Government equipment, facilities and properties;
5. to the extent practical, provide, on a reasonable reimbursable basis, technical advice and assistance in operations;
6. negotiate and contract for, on a reasonable reimbursable basis, their portion of the U.S. Government services, facilities and equipment requested by the private sector for commercial launch operations.
7. as required, conduct environmental analyses necessary to ensure compliance with the National Environmental Policy Act.

B. Government Pricing Guidelines:

The price for the use of U.S. Government facilities, equipment, and services, will be based on the following principles:

1. price services based on those additional costs incurred by the U.S. Government;
2. the U.S. Government will not seek to recover ELV design and development costs or investments associated with facilities to which the U.S. Government retains title.

3. tooling, equipment and residual ELV hardware on hand at the completion of the U.S. Government's program will be priced on a basis that is in the best overall interest of the U.S. Government, taking into consideration that these sales will not constitute a subsidy to the private sector operator.

C. Commercial ELV Operator Requirements

The commercial ELV operator shall:

1. maintain all facilities and equipment leased from the U.S. Government to a level of readiness and repair specified by the U.S. Government;
2. provide adequate insurance to cover the loss of or damage to U.S. Government owned systems, equipment, facilities used by the private sector ELV operators.
3. provide adequate insurance and agreements to indemnify and hold harmless the U.S. Government against liabilities for damage to both domestic and foreign persons and property;
4. abide by all required U.S. Government safety criteria and not hold the U.S. Government liable for damage incurred by the operator resulting from U.S. Government flight safety actions.
5. agree not to hold the U.S. Government liable for losses resulting from scheduling delays related to joint-use facilities and support services.

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